

Message Text

PAGE 01 STATE 205934

15

ORIGIN EA-09

INFO OCT-01 EUR-12 IO-13 ISO-00 SIG-02 PM-04 CIAE-00

DODE-00 INR-07 NSAE-00 PA-02 USIA-15 PRS-01 SP-02

/068 R

DRAFTED BY EA/P:STAFF:PP:AA

APPROVED BY EA/P:WMAGRUDER

----- 044739

R 190028Z AUG 76

FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMEMBASSY MOSCOW

USMISSION USUN NEW YORK

INFO CINCPAC HONO

COGARD

GOVGUAM

TREASURY

UNCLAS STATE 205934

PLS PASS J. ZEROLIS/LOS DELEGATION

E.O. 11652: N/A

TAGS:PFOR, XC, US

SUBJECT: AUGUST 18 EA PRESS SUMMARY

1. PHILIPPINES

DEATH TOLL CONTINUES RISE IN MINDANAO AREA, WHICH STRUCK BY 2 EARTHQUAKES WITHIN 12 HRS 8/17; MARCOS, IN NATION-WIDE TELECAST, PROCLAIMED AREA IN STATE OF CALAMITY. LATEST REPORTS INDICATE AT LEAST 3,100 PEOPLE DIED, 2,000 MORE MISSING. MINDANAO BORE BRUNT OF QUAKE WHICH CENTERED IN CELEBES SEA, TOUCHED OFF 30-FT TIDAL WAVE. NATL DISASTER CENTER SAID NUMBER KNOWN HOMELESS NEARING 29,000, UNCLASSIFIED

PAGE 02 STATE 205934

HUNDREDS INJURED BEING TREATED. PHIL AF SPOKESMAN SAID 2,400 TONS RELIEF SUPPLIES FLOWN BY CARGO PLANE TO CENTRAL MINDANAO, BUT HEAVY RAINS PREVENTED OTHER RELIEF CRAFT FROM LANDING. FIRST DAMAGE ESTIMATES FROM MINDANAO

AT 67 MILLION DOLS, BUT OFFICIAL SOURCES SAID PRIVATELY THAT FINAL TALLIES EXPECTED BE MUCH HIGHER. RADIO/TV CARRYING PROGRAMS ON HOW BEHAVE IN QUAKE; MANILA MAYOR ORDERED QUAKE DRILLS IN SCHOOLS/PUBLIC BLDGS. AF GEN RETURNED FROM SURVEY DAMAGED AREA, SAID VERY DIFFICULT DISCERN TOTAL CASUALTIES AS COMMUNICATIONS NOT YET ESTABLISHED WITH SOME PLACES (BICKLER, REUTER MANILA; AP, SUN; UPI, WSTAR, BALTO N-A (8/17), NYDN; WSJ; WP; NYT SPEC; CHITRIB; PHINQ).
FORD EXTENDED US CONDOLENCES/SYMPATHY TO MARCOS FOR QUAKE VICTIMS THROUGH LETTER DELIVERED BY AMB SULLIVAN; STATED US STANDS READY RESPOND W/HUMANITARIAN ASSISTANCE (REUTER).

2. CHINA

ACCORDING HSINHUA BROADCAST, EARTHQUAKE WHICH STRUCK SZECHWAN PROV 8/16 CAUSED ONLY SLIGHT DAMAGE BECAUSE IT WAS SUCCESSFULLY PREDICTED BY CHINESE SEISMOLOGISTS, AND LOCAL OFFICIALS TOOK PRECAUTIONARY MEASURES. STRONG SHOCKS ALSO FELT IN PROV CAPITAL CHENG TU (GRIFFITHS, REUTER PEKING; AP, NYDN). MUNRO (NYT) ADDS CP PAPER CHARGED "ENEMY STATIONS" HAD DELIBERATELY INTERFERED W/EMERGENCY RADIO MESSAGES BEING TRANSMITTED FROM TANGSHAN DURING FIRST HRS AFTER QUAKE 3 WKS AGO; NO COUNTRY MENTIONED (EXCERPTED IN WP).

3. INDOCHINA

FORMER POW ADDRESSES REP NATL CONVENTION, STRESSES IMPORTANCE OBTAINING RELEASE REMAINING MEN BEING HELD, RETURNING REMAINS, INFO ON MIA STATUS (HINDEN, WP).

(SEE PARA ON NONALIGNED SUMMIT FOR MORE NEWS ABOUT INDOCHINA).

4. THAILAND

THOUSANDS STUDENTS DEMONSTRATE TO DEMAND FORMER MIL UNCLASSIFIED

PAGE 03 STATE 205934

STRONGMAN PRAPHAS BE PLACED ON TRIAL. SENI ORDERS POLICE FIND PRAPHAS, WHO REPORTEDLY SECRETLY RETURNED FROM EXILE (WP).

5. MALAYSIA

TIN OUTPUT RISES IN APR TO 5372 TONS, FROM 5101 MAR (JOC).

5. ASEAN/AUSTRALIA

ASEAN ACCUSES AUSSIES OF DUPLICITOUS TRADE POLICY BY ADVOCATING NEED FOR GREATER TRADE W ASIA, AT SAME TIME MAKING DIFFICULT FOR ASIAN GOODS ENTER AUSTRALIA.

CRITICISM CONTAINED IN ASEAN MEMO TO GOA. ASEAN WANTS AUSSIES LIBERALIZE TARIFF, LICENSING, QUOTA RESTRICTIONS AGAINST ASIAN GOODS (STOVE, JOC).

6. AUSTRALIA

GOA INTRODUCES TOUGH FY 77 BUDGET DESIGNED ADMINISTER BITTER ECON MEDICINE TO CUT INFLATION RATE, BUT ASKS FOR 17.6 PCT INCREASE IN DEFENSE SPENDING - MOST FOR

US-BUILT SHIPS, PLANES. BUDGET IS REACTION TO SOCIAL SERVICE SPENDING BY PREVIOUS GOVT; SPENDING CUTS WILL TRIM 1.3 BILLION DOLS FROM LAST YR'S 4.6 BILLION DEFICIT (WP; UPI, JOC). NEW BUDGET AIMS HELP PRIVATE SECTOR, REDUCE THREAT BIG GOVT (AP, WSJ).

EARTH TREMOR SHAKES S SUBURBS BRISBANE, NO SERIOUS DAMAGE REPORTED (REUTER BRISBANE).

7. KOREA

TWO US ARMY OFFICERS KILLED IN DMZ WED WHEN 30 NK GUARDS ATTACKED UN WORK PARTY WITH AXES, METAL PIKES. WOUNDED 5 SKOREAN, 4 US TROOPS. UNC CALLED FOR JOINT MAC MEETING THURS. UNC SPOKESMAN LABELED ATTACK "UNPROVOKED," SAID NK OFFICER HEARD TELLING GUARDS "KILL" UNC PERSONNEL. SPOKESMAN SAID ROKG "OUTRAGED" BY "UNIMAGINABLY BARBAROUS AND INHUMANE ACT OF MURDER" THAT SHOWS WORLD UNCLASSIFIED

PAGE 04 STATE 205934

NK TRYING "PROVOKE SOUTHWARD AGGRESSION." NAMES WITHHELD, PENDING NOTIFICATION FAMILIES (REUTER, SEOUL).

PRC/USSR/OTHER NK BACKERS FIRED FIRST SALVO IN ANNUAL CAMPAIGN AGAINST US TROOPS IN SK AT UN MON NITE. GROUP 21 COMMUNIST/3RD WORLD NATIONS TABLED DOCUMENT THAT CHARGED US FORCES "BEING CONSTANTLY REINFORCED AND LARGE QUANTITIES OF NUCLEAR AND OTHER WEAPONS OF MASS DESTRUCTION ARE BEING INTRODUCED" INTO SK. ASKED UNGA INSCRIBE KOREAN ITEM, DEMAND DISSOLUTION UNC/WITHDRAWAL ALL FOREIGN TROOPS/ARMS UNDER UN FLAG FROM SK, CALL FOR PEACE AGREEMENT REPLACE 1953 TRUCE. US/OTHER SK SUPPORTERS EXPECTED TABLE RIVAL RESOLUTION CALLING ALL CONCERNED NEGOTIATE ALTERNATE ARRANGEMENT TO REPLACE ARMISTICE (AP, WP, CSM, PHINQ).

SEOUL SOURCES SAY LAWYER PARK SE KYANG ARRESTED. HAS LED LEGAL DEFENSE OF PRES PARK OPPONENTS (WP).

ADB 8/13 APPROVED 40 MILLION DOL LOAN TO KOREA DEVEL FINANCE CORP, TO HELP MEET ESTIMATED 124 MILLION DOL FOREX REQUIREMENT OVER NEXT TWO YRS (JOC, MANILA).

ROKG SOURCES SAID TUES MAERSK OIL CO (DENMARK) SEEKING OFFSHORE OIL CONCESSION IN YELLOW SEA ABANDONED BY GULF OIL (JOC, SEOUL).

(SEE NONALIGNED SUMMIT PARA FOR MORE NEWS ABOUT KOREA).

8. JAPAN

TANAKA RELEASED FROM JAIL MON ON BAIL (CSM). POSTED ONE OF HIGHEST BONDS IN HISTORY JAPAN, NEARLY 700,000 DOLS, AFTER QUICK TELEPHONE CALL TO HIS BANK, ACCORDING JAPANESE PRESS (WSJ; AP, CHITRIB). CROWDS JEERED EX-PM ON LEAVING PRISON (HORVAT, WP). TV SHOWED SOME SPECTATORS WATCHING TANAKA LEAVE JAIL "DABBING AT TEARS" AT SIGHT OF DISGRACED LEADER WHO SPARKED HOPE OF NEW SOCIAL DIRECTION FOR NATION JUST FOUR YRS AGO(MALCOLM, NYT). MON INDICTMENT MARKED SECOND TIME TANAKA PROSECUTED FOR BRIBERY; SERVED 6 MOS JAIL 1948 FOR ROLE IN COAL UNCLASSIFIED

PAGE 05 STATE 205934

NATLIZATION SCANDAL BEFORE APPEAL COURT REVERSED CONVICTION (SEIDEN, SUN).

MIKI TOLD MEETING LDP LOCAL CHAPTER REPS MON IS CONFIDENT PUBLIC WILL SUPPORT PARTY IF SHOWS SELF CAPABLE OF REFORM. URGED LDP CLEAN UP LOCKHEED SCANDAL, REFORM POLITICAL SYSTEM (REUTER, TOKYO).

SPOKESMAN TOKYO HAS CONFIRMED BP HOPES SELL NORTH SLOPE OIL TO JAPAN, WHEN FIELD STARTS PRODUCE 1977; BUT WILL DEPEND ON USG APPROVAL. SAID BP PROPOSES REPLACE ALASKAN OIL SHIPPED JAPAN WITH ME OIL SHIPPED TO US EAST COAST (JOC, TOKYO).

MOF TUES REPORTED 720 MILLION DOL BOP SURPLUS JULY; BIGGEST OF YR. SAID TRADE BALANCE SURPLUS WAS 1 BILLION DOLS; LONG-TERM CAPITAL ACCT SURPLUS 140 MILLION DOLS (WP). DESPITE 620 MILLION DOL LOSS INVISIBLE ACCT, RAN 380 MILLION DOL CURRENT ACCT SURPLUS (UPI, JOC).

BANK OF JAPAN INTERVENED TOKYO FOREX MART TUES, KEPT YEN FROM RISING ABOVE 290/DOL (UPI, NYT).

TOYOTA/NISSAN REPORTED INCREASED AUTO PRODUCTION JULY. TOYOTA MADE 240,094 UNITS, UP 11 PCT; EXPORTS UP 18 PCT COMPARED JULY 1975. NISSAN MADE 208,454 UNITS, UP 14 PCT; EXPORTS UP 22 PCT (WSJ, TOKYO; NYT).

MODERATE QUAKE WED DAMAGED PROPERTY IZU PENINSULA, 75 MILES SW TOKYO. NO INJURIES REPORTED (REUTER, TOKYO).

9. NONALIGNED SUMMIT

VN OFFERS HAND OF FRIENDSHIP TO US. IN MODERATE, CONCILIATORY SPEECH, PHAM VAN DONG SAYS WANTS DEVELOP ECON TIES WITH CAPITALIST COUNTRIES, DIPL RELS WITH US (AP NYT, NYDN, SUN; PHINQ). DONG REITERATES VN DEMAND

FOR US "HONOR ITS COMMITMENT" FOR POSTWAR RECONSTRUCTION AID (AP, SUN; PHINQ).

UNCLASSIFIED

PAGE 06 STATE 205934

KHIEU SAMPHAN ATTACKS US AS WORLD'S "MOST BARBARIC" POWER, SAYS USED ALL WEAPONS EXCEPT ATOMIC BOMB AGAINST CAMBODIA (REUTER, NYT).

NK PREMIER PAK SUNG CHUL CLAIMS US "IMPERIALISTS" HAVE 1000 NUKES, 400,000 TROOPS IN SK (CSM; AP NYT, SUN; PHINQ), URGES CONF DEMAND WITHDRAWAL US TROOPS NUKES FROM SK (AP NYDN, NYT, SUN; PHINQ) OR WAR MAY BREAK OUT THAT WOULD BE EXPANDED TO ASIAN, WORLDWIDE SCALE (PHINQ; AP, SUN).

MATHEWS (WP) REPORTS NK PURSUED CAMPAIGN FOR STRONG ANTI-US STAND AT CONF, SUGGESTED MUTUAL SECURITY PACT FOR 3RD WORLD. NOTES NK BROUGHT LARGE STAFF, MOORED OWN SHIP IN COLOMBO HARBOR. SAYS US DIPLOMATS MEET DELEGATES, PUSH FOR SOFTEST LANGUAGE CAN GET IN SRI LANKAN DRAFT RESOLUTION ON KOREAN SITUATION. COMMENTS THAT SRI LANKANS DO NOT APPEAR PLEASED BY AGGRESSIVE NK POSTURE; SRI LANKANS DISCOVERED NK SHIP HAD COMMO EQUIPMENT POWERFUL ENOUGH TO MONITOR SENSITIVE LOCAL TRANSMISSIONS, ORDERED EQUIPMENT SEALED. ADDS SRI LANKANS ALSO ASSURED SK JOURNALIST THAT COULD COVER CONF UNMOLESTED AFTER THREATENED BY FEW NKOREANS AT PRESS CENTER.

10. PRESIDENTIAL CAMPAIGN

TREWHITT (SUN) NOTES COMPROMISE CAME HARD ON REP FOREIGN POLICY PLANK. BELIEVES SOME POINTS COULD CAUSE MINOR EMBARRASSMENT TO NEW FORD ADMIN, INCLUDING REAFFIRMATION MUTUAL SECURITY TREATY WITH ROC THAT RUNS CONTRARY TO IMPROVEMENT IN RELS WITH PRC.

WP COMPARES PLATFORMS BOTH PARTIES. REPORTS REPS REAFFIRM US COMMITMENT TO SK; BLAME DEMS IN PART FOR LOSING INDOCHINESE NATIONS; SEEK NORMALIZATION RELS WITH PRC BUT CONTINUATION SUPPORT FREEDOM, INDEPENDENCE ROC, INCLUDING KEEPING COMMITMENTS UNDER MUTUAL DEFENSE TREATY; CONSIDER FRIENDSHIP WITH JAPAN "PILLAR" OF ASIAN POLICY. POINTS OUR DEMS WANT MAINTAIN COMMITMENT TO

SK BUT "REDEPLOY AND GRADUALLY PHASE OUT" US GROUND
UNCLASSIFIED

PAGE 07 STATE 205934

TROOPS, WITHDRAW NUKES; SEE FRIENDSHIP WITH JAPAN AS
"CORNERSTONE" ASIAN POLICY; ADVOCATE DEVELOPMENT RELS
WITH CHINA ON PEACEFUL LINES, INCLUDING EARLY MOVEMENT
TOWARD NORMALIZING DIPL RELS IN CONTEXT "PEACEFUL
RESOLUTION" OF TAIWAN'S FUTURE.
COMMENT AND ANALYSIS

11. JAPAN

SEIDEN (SUN 8/15) REPORTS JAPANESE SCHOOL TEXTS NOW ROU-
TINELY TEACH JAPAN WAS FORCED UNWILLINGLY INTO PAC WAR
BY US, AND "INEVITABLE FLOW OF HISTORY." ACCORDS, TO
CERTAIN EXTENT, WITH RE-EVALUATION IMMEDIATE PRE-WAR
YEARS BY HISTORIANS ON BOTH SIDES OF PACIFIC, EXCEPT
THAT JAPANESE HAVE GONE BEYOND CONSENSUS OF HISTORICAL
OPINION IN US; GENERALLY ABSOLVE LEADERS OF ANY WAR
GUILT, GLOSS OVER JAPANESE AGGRESSION/ATROCITIES IN
ASIA. CITES DEFENSE AGAINST CRITICISM BY TEXTBOOK DIV
OFFICIAL THAT MOE ONLY TRYING MAKE "DETACHED HISTORICAL
PRESENTATION" FREE OF PRESSURES FROM LEFT OR RIGHT.
NOTES SIMILAR TREND IN US TEXT USED AT ASIJ, THAT EX-
PLAINS DRASTIC US ECON SANCTIONS, INCLUDING OIL
EMBARGO, FORCED JAPAN CHOOSE BETWEEN ECON RUIN OR
CONQUEST OF LANDS WITH NEEDED RAW MATERIALS.

JAMESON (LAT 8/15) FINDS LOCKHEED SCANDAL UNLIKE
WATERGATE, WHICH WAS ONE-RING SHOW STAGED FOR/COVERED
UP BY NIXON--FORMER INVOLVES BROAD CAST FROM TOP TO BOT-
TOM OF JAPANESE SOCIETY, INCLUDING POLITICIANS/BUREAU-
CRATS/BUSINESSMEN/GANGSTERS. STATES POLITICAL FALLOUT
"UNCERTAIN". EXPLAINS ROLE OF MONEY IN POLITICS--WITH-
OUT AMERICAN-STYLE INDIVIDUAL CONTRIBUTIONS, LDP FORCED
RELY ON BUSINESS WORLD FOR FUNDS. CITES ESTIMATE BUS-
INESSMEN READY PUT UP 33 MILLION DOLS TO HELP FINANCE
LDP IN COMING ELECTION. BELIEVES IMPACT OF SCANDAL ON
LDP MAY ONLY AMOUNT TO "SLAP ON THE WRIST", WITH PARTY
LOSING 5-PCT OF VOTE, SALVAGING SLIGHT MAJORITY IN DIET.
REVIEWS FACTIONAL MOVES OUST MIKI. IF NEW COALITION RE-
SULTS FROM CURRENT FACTIONAL INFIGHTING, PERCEIVES ONLY
ONE MAJOR UNCERTAINTY--WHETHER US WOULD BE ALLOWED
CONTINUE USE BASES IN JAPAN TO DEFEND SK IN CASE WAR
UNCLASSIFIED

PAGE 08 STATE 205934

BROKE OUT. OVERALL, CONCLUDES US IMAGE HAS NOT SUFFERED
GREATLY FROM LOCKHEED SCANDAL.

PHINQ'S SELTZER RECOUNTS "SPECIAL PILGRIMAGE" TO BRWYN

MAWR FRI BY 75 GRADUATES OF TOKYO'S TSUDA COLLEGE FOR WOMEN (WITH PHOTOS OF SOCIAL RECEPTION). ALUMNA ELIZABETH VINING (WHO TUTORED CROWN PRINCE) AWAY ON VACATION, WAS "DISAPPOINTED" COULD NOT MEET.

12. INDONESIA/MALAYSIA

CSM REVIEWS GOI/GOM EARLY DEMANDS FOR GREATER PROFIT-SHARING FROM FON OIL FIRMS. STATES SOME SMALLER FIRMS

COULDN'T MEET DEMANDS, BEGAN CLOSING DOWN EXISTING OPERATIONS, WHICH EVENTUALLY LEAD GOI BACK DOWN; FINAL AGREEMENT REACHED WHICH REDUCED EARLIER DEMANDS TO SOME EXTENT. IN MALAYSIA, SIMILAR CONFRONTATION TOOK PLACE OVER PM ONN'S THREAT NATIONALIZE IF AGREEMENT NOT REACHED BY DEADLINE SET. BOTH MAJOR OIL COS INVOLVED (SHELL/ESSO) NOW CONFIDENT AGREEMENT CAN BE REACHED, ARE SUBMITTING NEW PROPOSALS. CSM CONCLUDES THAT BOTH COUNTRIES "HAVE DECIDED THAT THEIR NATURAL RESOURCES CAN NO LONGER BE FREELY EXPLOITED BY OUTSIDE INTERESTS."

MCARTHUR (LAT, IN WP) IN SINGAPORE, STATES SUPERTANKERS/INDUSTRY MAKING MALACCA STRAITS DIRTY/DANGEROUS. ABOUT 150 HUGE VESSELS PASS THROUGH STRAITS DAILY, AND SHIPPING AGENT ESTIMATES 1 COLLISION, 30 NEAR-MISSES MONTHLY. MALAYSIA'S DELEGATION TO LOS POINTED OUT STRAITS ONE OF WORLD'S DIRTIEST WATERWAYS, FACT WHICH CAME TO FORE WHEN JAPANESE TANKER RAN AGROUND 1975, SPILLING 4,000 TONS OIL. GOM/GOI SEEKING LEGAL RIGHT IMPOSE RESTRICTIONS ON STRAITS, BUT US/BIG POWERS STRIVING UPHOLD PRINCIPLE UNIMPEDED PASSAGE. SHIP SIZE ALSO PROBLEM, W/US NAVAL OFFICER DESCRIBING 200,000 TON VESSEL MANEUVERING THRU STRAITS LIKE "PUTTING AN ENGINE IN THE EMPIRE STATE BUILDING AND TRYING TO SAIL IT."

13. GENERAL

UNCLASSIFIED

PAGE 09 STATE 205934

BURT (WP 8/15) OF INTL INST STRAT STUDIES (LONDON) SAYS RECENT HAK VISIT TO PAKISTAN HIGHLIGHTED UNCERTAIN LINKS IN US FOPOLICY BETWEEN CONVENTIONAL ARMS SALES/PROLIFERATION DANGERS. DESCRIBES SOME NEW MIL TECHNOLOGIES IN CONVENTIONAL ARMS, LIKE "SMART" ANTI-TANK WEAPONS THAT SEEM IDEALLY SUITED DEFENSIVE NEEDS OF SK, PAK, TAIWAN. SUGGESTS THESE MAY BECOME IMPORTANT COMPONENTS FOR EFFECTIVE NON-PROLIFERATION STRATEGY, BECAUSE COULD BE USED REDUCE TEMPTATIONS FOR REGIONAL POWERS GO NUCLEAR. CAUTIONS ONLY CHOICE FOR US IS LEARN TO LIVE IN WORLD ARMED TO TEETH WITH CONVENTIONAL WEAPONS, OR ONE CROWDED WITH NUCLEAR POWERS.

SANTORELLI (REUTER, WP), IN ARTICLE ON RECENT QUAKES/ERUPTIONS, NOTES UK SEISMOLOGISTS BELIEVE CURRENT PRC QUAKES DUE TO WEAK SPOT ACROSS EUROPEAN "PLATE" OR LAYER OF EARTH'S CRUST. USG SCIENTISTS BELIEVE NO LINK BETWEEN PRC/PHILS QUAKES, WHICH WERE DESCRIBED AS UNUSUAL, BUT NOT SIGNIFICANT COINCIDENCE.

14. INDOCHINA/THAILAND

MCARTHUR (LAT) HEARS STORIES NVN/SVN FRICTION, NVN CARPETBEGGERS DESCENDING ON SVN TO WIN FAME/FORTUNE. OPINES OLD SAIGON REGIME HAD NO MONOPOLY ON CORRUPTION, BELIEVES POSSIBLE HANOI COMING TO CONCLUSION THAT STORIES BASED ON REALITIES. BELIEVES EASY-GOING "SOFT POLICY" DAYS ENDING FOR SVN, PARTLY SINCE HANOI CONSIDERS VAST NUMBER SVIETS "UNRELIABLE." MENTIONS NVN CAMPAIGN TO PROJECT INTL IMAGE PEACE/FRIENDSHIP HAS MADE IMPRESSIVE GAINS IN SEA, WITH RTG FONMIN HANOI VISIT AS CULMINATION. BUT QUOTES SOME THAI OFFICIALS THAT POLICY TOWARD VN MAINLY "WHISTLING IN THE DARK." ADDS US, PHIL REFUGEES WHO RECENTLY LEFT SAIGON TENDED GIVE NEW AUTHORITIES GOOD MARKS FOR TRYING, ONLY MIDDLE GRADES FOR ACCOMPLISHMENT; ALMOST ALL AGREE NVN IS IN OPEN, VIRTUAL TOTAL CONTROL SVN, AND NEW VC BUREAUCRACY JUST AS INEFFICIENT AS OLD GVN. MCARTHUR CONCLUDES PROBLEMS NVN RECONSTRUCTION, SVN RECALCITRANCE HAVE TEMPORARILY DIMINISHED INTL AMBITIONS OF WHICH HANOI SUSPECTED.
UNCLASSIFIED

PAGE 10 STATE 205934

15. INDOCHINESE REFUGEES

STUART (CSM) LOOKS OVER VIET COLONY IN DC AREA THAT CENTERS ON SAIGON MARKET. NOTES VIET SETTLEMENT OF OVER 8,000 IN AREA IS MOST CONCENTRATED IN US, INCLUDES MANY FORMER GVN BIG NAMES. BELIEVES ATTRACTED TO AREA SINCE HAD ACQUAINTANCES IN MIL, OTHER GOVT AGENCIES. ADDS 25,000 VIETS RESETTLED IN S CAL; OF TOTAL, 1/5 TO 1/4 DRAW WELFARE.

16. KOREA

CDN'S BEECH (BALTO N-A 8/17), IN TOKYO, REVIEWS IMPACT ON JAPAN OF NK FINANCIAL STRAITS -- 1.7 BILLION DOLS IN DEBT OVERALL AND CAN'T PAY CREDITORS. SAYS NK HAS FALLEN BEHIND 250 MILLION DOLS ON DEBT PAYMENTS SINCE FIRST OF YEAR. NOTES NK OWES JAPANESE FIRMS 300 MILLION DOLS, BUT BUSINESS EXECS/GOVT OFFICIALS RELUCTANT DISCUSS, FOR FEAR NK MIGHT GET ANGRY, REFUSE PAY AT ALL. ADDS JAPANESE HAVE RESCHEDULED MANY DEBTS, AT HIGHER INTEREST THAN SWEDEN, BECAUSE TRADING FIRMS FINANCE EXPORTS WITH COMMERCIAL LOANS AT 9-12 PCT.

17. NONALIGNED SUMMIT

KEYES BEECH (BALTO N-A 8/17) CALLS "NON-ALIGNED" LABEL MISNOMER SINCE NATIONS VERY MUCH ALIGNED BY CREED, COLOR, IDEOLOGY, DIFFERING STAGES DEVELOPMENT. NOTES DISPARITY IN COUNTRIES, PERSONALITIES. CONTRASTS NK'S KIM IL SUNG, "PROBABLY THE MOST BELIGERANT COMMUNIST LEADER IN THE WORLD," TO SINGAPORE'S FIERCELY ANTI-COMMUNIST LEE KUAN YEW. SAYS COUNTRIES HAVE 1 THING IN COMMON: WANT WHAT RICH COUNTRIES ALREADY HAVE. BELIEVES, BASED ON PREVIOUS CONFS, THAT THIS ISN'T LIKELY CHANGE ANYTHING. DOESN'T SEE UNITED ASIAN FRONT SINCE BURMA CALLS ITSELF NEUTRAL; INDONESIA, MALAYSIA, SINGAPORE ARE STRONGLY ANTI-COMMUNIST. THINKS ADMITTING NK TO NONALIGNED RANKS HAS COMPLICATED MATTERS; VN, CAMBODIA BARELY SPEAK TO EACH OTHER. HEARS REPORTS THAT BEHIND-SCENES STRUGGLE THRU PROXIES FOR INFLUENCE
UNCLASSIFIED

PAGE 11 STATE 205934

HAS DEVELOPED BETWEEN USSR, PRC.

PHINQ NOTES CONF, EXPECTS DENUNCIATION WESTERN "IMPERIALISM ..COLONIALISM," SOFT PEDELLING USSR" IMPERIALISM, COLONIALISM." OBSERVES WESTERN NATIONS WERE FREEING COLONIES AFTER WWII, WHILE SOVIETS CONSOLIDATED CONTROL BALTIC STATES, GOBBLED UP OTHERS' TERRITORY. ADVISES SELF-HELP FOR 3RD WORLD NATIONS, INTELLIGENT USE INTL AID, ESTABLISHING CLIMATE OF WELCOME FOR PRIVATE INVESTMENT.

BORDERS (NYT) FINDS LIVELIEST ACTION AT CONF NONSCHEDULED. MENTIONS ACTIONS NK DELEGATION OF OVER 100: COMMO EQUIPMENT ON NK SHIP ORDERED SHUT OFF BY SRI LANKA, UNLOADING LARGE CRATES STOPPED BY COLOMBO, NKOREANS REPORTEDLY THREATENED SK NEWSMAN, DISTRIBUTED ENGLISH-LANGUAGE "PYONGYANG TIMES" DENOUNCING US. QUOTES OPINION SOME DIPLOMATS THAT LACK OF WARMTH WITH WHICH SRI LANKANS RECEIVED NKOREANS WAS 1 REASON KIM IL SUNG DECIDED NOT COME. REVIEWS ANTICS SOME OTHER COUNTRIES.

18. JAPAN(ADD)

HALVERSON (CSM) NOTES TANAKA ARREST HAS TRIGGERED CONCERN AMONG US DEFENSE EXPERTS ABOUT ARMS SALES TO ALLIES. WONDERS WHETHER PUBLIC OPINION BACKLASH COULD FORCE GOJ CANCEL PENDING CONTRACTS. SAYS CONGRESSIONAL MIL EXPERTS BELIEVE 1.7 MILLION DOL LOCKHEED "INFLUENCE MONEY" PAID TANAKA MAY BE JUST "TIP OF THE ICEBERG."

NYDN NOTES US JUDICIARY MIGHT NOT APPROVE JAPANESE METHOD OF HANDLING WHITE-COLLAR CRIME--IF FORMER PM MUST POST

666,666 DOL BAIL TO GET OUT OF 6X9 FT CELL, WHAT KIND OF HOLE WOULD JAPANESE COURTS FIND FOR CHISELING NURSING HOME OPERATOR.

IN CONTRAST AMERICANS WHO DESCRIBE LOCKHEED SCANDAL AS "JAPAN'S WATERGATE," NYT NOTES ONE JAPANESE POLITICIAN PREFERS CALL UNPRECEDENTED CASE "PEARL HARBOR", TO SYMBOLIZE POTENTIAL IMPACT ON TOKYO POLITICAL SCENE. OPINES UNCLASSIFIED

PAGE 12 STATE 205934

TANAKA MIGHT INDEED TOUCH OFF POLITICAL PEARL HARBOR FOR LDP, IF CHOOSES USE TRIAL TO VENTILATE OTHER CASES OF ALLEGED BRIBE-TAKING BY GOJ COLLEAGUES. GIVEN THIS PROSPECT, DOES NOT WONDER THAT POWERFUL LIBERAL DEMOCRATS HAVE TRIED OUST MIKI--BECAUSE HE "UNRESERVEDLY BACKED" PROBE. CONCLUDES BEST HOPE FOR LDP AVOID DISASTER IN FALL ELECTION SURELY LIES WITH "MR. CLEAN" MIKI WHO HAS SET EXAMPLE THAT SHOULD BE EMULATED IN OTHER CAPITALS WHERE LOCKHEED PAYMENTS INVOLVED POWERFUL POLITICAL LEADERS, LIKE ITALY WHERE PROBE LAGGING.

CSM REVIEWS LOCKHEED PROBE/TANAKA ARREST. HOPES JAPANESE WILL REGARD "UNSAVORY DEVELOPMENT" AS OPPORTUNITY CLEANSE POLITICAL/CORPORATE SYSTEM, AND DEMONSTRATE TO WORLD THAT "JAPANESE DEMOCRACY IS ALIVE AND WELL." KISSINGER

UNCLASSIFIED

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 15 SEP 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS SUMMARIES
Control Number: n/a
Copy: SINGLE
Draft Date: 19 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE205934
Document Source: ADS
Document Unique ID: 00
Drafter: EA/P:STAFF:PP:AA
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D760317-1317
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197608103/baaaepvc.tel
Line Count: 517
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 07 JAN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 JAN 2004 by morefirh>; APPROVED <07 Jan 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AUGUST 18 EA PRESS SUMMARY
TAGS: PFOR, XC, US
To: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
MOSCOW
USUN N Y INFO CINCPAC HONO
COGARD
GOVGUAM
TREASURY

Type: TE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006